

FY 2003 State Budget Summary:

- Because of uncertainty in the nation's economy, the Legislature waited until mid-February to develop its own revenue estimates. Although it had later information, economic indicators have continued to be volatile.
- For the first time in years the Legislature adopted a General Fund revenue estimate lower, by \$6.5 million, than the Governor's. It calls for 3.9% growth versus the 4.3% rate in the Executive Budget.
- Actual collections through April are \$37.9 million under the Executive Budget projection. Incorporating this number with Legislative action means the FY 2003 General Fund budget is currently \$25.1 million out of balance.
- Although it is unlikely that this shortfall will be made up by a rebound in revenue during the last two months of the fiscal year, the preliminary May numbers are up \$13.3 million. To insure the state General Fund budget ends the year with a positive balance, state agencies are prepared to reduce spending and if necessary delay some obligations into the next fiscal year.
- A total of \$192.8 million in one-time dedicated funds are being used to help balance the FY 2003 General Fund budget:
 - \$55.0 million from the Permanent Building Fund;
 - \$66.6 million from the Millennium Fund;
 - \$53.1 million from the Budget Stabilization Fund;
 - \$7.9 million from the Capitol Endowment Income Fund;
 - \$5.0 million from the Retained Risk Fund; and
 - \$5.2 million from three other funds.
- There is also \$13.0 million in new revenue due to the Legislature approving an increase in the state's sales tax. HB 400 raises the rate from 5.0% to 6.0% from May 1, 2003 through June 30, 2005. All of the increase is dedicated to the state's General Fund.

FY 2003 GENERAL FUND COMPARATIVE SUMMARY

	Revised		
REVENUES:	Exec. Budget	Appropriation	Difference
Beginning balance	\$1,343,300	\$1,343,300	\$0
FY 2003 revenue estimate (4.3% vs. 3.9% growth over FY 2002)	1,773,056,000	1,766,547,100	(6,508,900)
Raise the sales tax from 5.0% to 6.5% vs. 6.0% (Note 1)	18,400,000	13,000,000	(5,400,000)
HB 130 - Income tax, electronic filing credit deleted	0	290,000	290,000
Transfers from other funds approved during the 2002 session (Note 2)	54,228,500	54,228,500	0
Transfers from other funds approved during the 2003 session (Note 3)	122,676,700	138,540,000	15,863,300
Transfers to other funds approved during the 2003 session (Note 4)	(4,646,000)	(4,516,500)	129,500
Transfer to State Refund Fund for property tax exemption (IC 63-3067)	(13,447,100)	(13,447,100)	0
Total Funds Available	\$1,951,611,400	\$1,955,985,300	\$4,373,900
EXPENDITURES:			
FY 2003 original appropriation	\$1,967,895,400	\$1,967,895,400	\$0
Prior year reappropriations	1,343,300	1,343,300	0
Regular supplementals	1,854,600	(50,700)	(1,905,300)
Negative supplementals (SB 1194)	(19,481,900)	(19,476,900)	5,000
Total Expenditures	\$1,951,611,400	\$1,949,711,100	(\$1,900,300)
Projected Ending Balance	\$0	\$6,274,200	\$6,274,200

Notes:

- The Governor recommended the sales tax be raised from 5.0% to 6.5% from May 1, 2003 through June 30, 2006. The Legislature (HB 400) chose to raise the sales tax to 6.0% from May 1, 2003 through June 30, 2005.
- Both columns reflect the following transfers to the General Fund authorized during the 2002 session:
 - HB 218 - \$1,128,500 from the Consumer Protection Fund (2001 session).
 - HB 693 - \$3,000,000 from the Water Pollution Control Fund.
 - SB 1517 - \$26,700,000 from the Budget Stabilization Fund; \$7,000,000 from the Permanent Building Fund; \$10,000,000 from the Millennium Fund; and \$6,400,000 from the Capitol Endowment Income Fund.
- The Appropriation column reflects the following transfers to the General Fund authorized during the 2003 session:
 - HB 468 - \$1,500,000 from the Capitol Endowment Income Fund; and \$1,100,000 from the Multi-state Tax Compact Fund.
 - SB 1195 - \$26,390,000 from the Budget Stabilization Fund (the Executive Budget recommended \$8,662,900); \$48,000,000 from the Permanent Building Fund (the Executive Budget recommended \$48,013,800); \$56,550,000 from the Millennium Fund (the Executive Budget recommended \$61,000,000); and \$5,000,000 from the Retained Risk Fund (the Executive Budget recommended the same amount). SB 1195 lowers the balances in the Budget Stabilization Fund and the Millennium Fund to \$33 and \$0 respectively. The next scheduled tobacco settlement payment to the Millennium Fund is April 15, 2004.
- Both columns reflect the following transfers from the General Fund to deficiency warrant funds during the 2003 session:
 - HB 90 - \$3,835,000 to the Dept. of Lands Fire Suppression Fund.
 - HB 384 - \$100,000 to the Idaho State Police Law Enforcement Death Benefit Fund.
 - SB 1022 - \$485,000 to the Dept. of Lands Pest Eradication Fund.
 - SB 1184 - \$96,500 to the Military Division's Hazardous Substance Response Fund.

The Executive Budget also recommended \$129,500 for the Dept. of Agriculture's Pest Eradication Fund. The Legislature used a dedicated fund rather than the General Fund to reimburse this deficiency warrant fund.

FY 2003 GENERAL FUND APPROPRIATIONS AND EXPENDITURES

Department	Original Appropriation	Reappro- priations	Regular Supplementals	Negative Supp. (SB 1194)	Estimated Expenditures
General Government:					
Administration, Dept.	\$3,107,500	\$0	\$0	(\$108,800)	\$2,998,700
Attorney General	14,112,300	0	0	(493,900)	13,618,400
Controller, State	5,540,400	0	0	(193,900)	5,346,500
Governor, Office	1,500,700	0	0	(52,500)	1,448,200
Governor, Executive Office	14,110,700	0	0	(473,200)	13,637,500
Legislative Branch	9,833,100	31,200	0	(344,200)	9,520,100
Lieutenant Governor	121,300	0	0	(4,200)	117,100
Revenue and Taxation, Dept.	24,403,400	0	0	(849,100)	23,554,300
Secretary of State	3,209,700	0	0	(112,300)	3,097,400
Treasurer, State	<u>1,244,800</u>	<u>0</u>	<u>80,000</u>	<u>(43,600)</u>	<u>1,281,200</u>
Total General Government	77,183,900	31,200	80,000	(2,675,700)	74,619,400
Public Safety:					
Correction, Dept.	112,236,100	0	(2,313,500)	(3,928,300)	105,994,300
Judicial Branch	25,688,800	0	0	(899,100)	24,789,700
Juvenile Corrections, Dept.	32,793,300	0	(117,200)	(1,147,800)	31,528,300
Police, Idaho State	<u>18,152,800</u>	<u>0</u>	<u>0</u>	<u>(635,300)</u>	<u>17,517,500</u>
Total Public Safety	188,871,000	0	(2,430,700)	(6,610,500)	179,829,800
Health & Human Services:					
Catastrophic Health Care	8,748,600	0	2,000,000	(306,200)	10,442,400
Health and Welfare, Dept.	359,646,300	0	300,000	(6,738,100)	353,208,200
Public Health Districts	<u>9,779,800</u>	<u>0</u>	<u>0</u>	<u>(342,300)</u>	<u>9,437,500</u>
Total Health & Hum. Serv.	378,174,700	0	2,300,000	(7,386,600)	373,088,100
Education:					
Agr. Research and Extension	23,316,400	0	0	0	23,316,400
College and Universities	213,558,800	0	0	0	213,558,800
Community Colleges	18,821,600	0	0	0	18,821,600
Deaf and Blind School	7,051,500	0	0	0	7,051,500
Educ., Office of State Board	5,438,000	0	0	(190,300)	5,247,700
Health Education Programs	7,223,400	0	0	0	7,223,400
Historical Society	1,907,100	0	0	(66,700)	1,840,400
Library, State	2,439,300	0	0	(64,400)	2,374,900
Professional-Technical Educ.	43,292,200	0	0	0	43,292,200
Public Broadcasting	1,929,700	0	0	(67,500)	1,862,200
Public Schools	920,000,000	0	0	0	920,000,000
Special Programs	9,683,300	0	0	0	9,683,300
Super. of Public Instruction	5,477,000	0	0	(191,700)	5,285,300
Vocational Rehabilitation	<u>3,819,100</u>	<u>0</u>	<u>0</u>	<u>(133,700)</u>	<u>3,685,400</u>
Total Education	1,263,957,400	0	0	(714,300)	1,263,243,100
Economic Development:					
Agriculture, Dept.	9,892,000	0	0	(346,200)	9,545,800
Commerce, Dept.	6,687,900	0	0	(234,100)	6,453,800
Labor, Dept.	546,200	0	0	(19,100)	527,100
Self-Governing Agencies	<u>3,463,800</u>	<u>0</u>	<u>0</u>	<u>(121,300)</u>	<u>3,342,500</u>
Total Econ. Development	20,589,900	0	0	(720,700)	19,869,200
Natural Resources:					
Environmental Quality, Dept.	15,668,300	0	0	(548,400)	15,119,900
Lands, Dept.	4,766,900	0	0	(166,800)	4,600,100
Parks and Recreation, Dept.	8,622,700	1,312,100	0	(301,800)	9,633,000
Water Resources, Dept.	<u>10,060,600</u>	<u>0</u>	<u>0</u>	<u>(352,100)</u>	<u>9,708,500</u>
Total Natural Resources	39,118,500	1,312,100	0	(1,369,100)	39,061,500
State Totals	\$1,967,895,400	\$1,343,300	(\$50,700)	(\$19,476,900)	\$1,949,711,100

FY 2003 SUPPLEMENTAL COMPARISON

Department	Item	FTP		General Fund		Total Funds	
		EB	App.	Exec. Bud.	Approp.	Exec. Bud.	Approp.
Attorney General	Transition costs for new Attorney General (withdrawn)	0.00	0.00	\$4,000	\$0	\$4,000	\$0
	Consumer protection grants	0.00	0.00	0	0	10,000	10,000
Capital Budget	Reduce appropriation for current & prior year projects	0.00	0.00	0	0	0	(112,056,000)
State Treasurer	Idaho Commemorative Silver Coin casting costs	0.00	0.00	0	80,000	0	110,000
Correction, Dept.	Medical services contract increased caseload	0.00	0.00	294,600	0	301,300	76,400
	Medical costs for additional beds being added	0.00	0.00	125,800	31,700	125,800	31,700
	SICI - house 70 additional inmates	0.00	0.00	37,800	0	37,800	0
	St. Anthony - house 90 additional inmates	0.00	0.00	119,300	0	208,300	0
	Comm. Supervision. - expend client receipts	0.00	0.00	0	0	218,000	140,000
	Idaho Correctional Center - additional inmates	0.00	0.00	208,300	0	551,200	596,100
	Reduce County payments by moving inmates to ICC	0.00	0.00	(2,345,200)	(2,345,200)	(2,345,200)	(2,345,200)
	Spending authority for Correctional Industries Secur.	0.00	1.00	0	0	68,400	68,400
Juvenile Corr., Dept.	Safety security officers (move \$42,700 fm OE to PC)	5.75	3.00	0	0	0	0
	Loss of one grant with match and reflect a new grant	1.75	1.75	(17,200)	(17,200)	14,100	14,100
	One-time contract provider reduction	0.00	0.00	0	(100,000)	0	(100,000)
Catastrophic Health	Additional spending needs	0.00	0.00	3,000,000	2,000,000	3,000,000	2,000,000
Health & Welf., Dept.	Involuntary detention of persons with mental illness	0.00	0.00	400,000	300,000	400,000	300,000
Historical Society	State park historical and cultural review agreement	1.00	1.00	0	0	250,000	50,000
Super. Public Instruc.	National Center for Educ. Statistics coordinator	1.00	1.00	0	0	100,000	100,000
	No Child Left Behind Act funds	0.00	0.00	0	0	27,012,700	27,012,700
	Reading First grant	4.00	4.00	0	0	3,392,100	3,392,100
	Character Education grant	1.00	1.00	0	0	350,000	350,000
Voc. Rehabilitation	State Independent Living Council rent increase	0.00	0.00	0	0	4,500	4,500
Agriculture, Dept.	Increase dedicated fund for Animal Damage Control	0.00	0.00	0	0	40,000	0
	Dedicated fund for Pest Eradication Fund transfer	0.00	0.00	0	0	0	129,500
Athletic Comm.	Pay outstanding expenses and ongoing costs	0.00	0.00	27,200	0	40,900	37,900
Veterans Services	Replace \$334,000 in federal funds with receipts	0.00	0.00	0	0	0	0
Fish & Game, Dept.	Remove Tex Creek/Willow Creek pilot project	0.00	0.00	0	0	0	(300,000)
Lands, Dept.	Non General Fund pest suppression funds	0.00	0.00	0	0	760,000	760,000
	Non General Fund fire suppression funds	0.00	0.00	0	0	1,250,000	1,250,000
Totals		14.50	12.75	\$1,854,600	(\$50,700)	\$35,793,900	(\$78,367,800)